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WEEKLY ROUNDUP OF WORLD PRODUCTION AND TRADE WR 23-82

WASHINGTON, June 9--The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following recent developments in world agriculture and trade:

GRAIN AND FEED

As of May 31, the area planted to all crops in the SOVIET UNION this spring was the smallest since 1974. The area seeded to small grains and pulses was the lowest since 1971 and the sugar beet area was the smallest since 1972. The Soviets had planted 83.2 million hectares of small grains and pulses by May 31 of this year compared to 89.2 million by June 1 of 1981. The 3-year (1979-81) average was more than 91 million. In 1971-80, the production of spring seeded small grains and pulses in the USSR averaged 123 million tons a year, nearly two-thirds (64 percent) of total grain output.

DAIRY, LIVESTOCK AND POULTRY

HONG KONG's worst storm in 10 years dumped more than 16 inches of rain in 4 days and killed 7,000 pigs and 400,000 head of poultry, according to the British colony's Agricultural and Fisheries Department. The department estimates crop and livestock losses at $1.75 million, but pork and poultry prices have risen only slightly because of adequate supplies from China. Locally produced pork and poultry account for only 15 and 40 percent, respectively, of Hong Kong's supply. However, if floods occur in South China, as they often do this time of year, the damage to Chinese livestock or to railways carrying animals and fresh meat to Hong Kong could bring about short-term shortages and price increases. In this case, Hong Kong would likely increase purchases of frozen meats and poultry, primarily from countries other than China.

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JAPAN's Ministry of Agriculture, Forestry and Fisheries (MAFF) announced import quotas on June 3 for beef of 70,000 metric tons for the first half of Japanese fiscal year 1982. Although MAFF said that weaker beef prices in Japan would normally indicate lower quotas, it raised them 2,000 MT over the first half of Japan's 1981 fiscal year as part of an effort to meet an MTN commitment with Australia to issue 135,000 MT of quotas this fiscal year. Japanese import quotas for beef were 126,800 MT in fiscal 1981.

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The new quotas for the first half of Japanese fiscal year 1982 are:

General Quota		62,000 MT
Special Quotas:		
Hotel	1,500	
Okinawa	2,850	
School Lunch	1,250	
Boiled Beef	2,400	
Total Special Quotas		8,000 MT
Total Beef Import Quotas		70,000 MT

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TAIWAN has banned imports of frozen chicken for one year. The country's Board of Foreign Trade (Ministry of Economic Affairs) started the ban on May 11. Earlier this year, Taiwanese grain importers and the Council for Agricultural Planning and Development pressed for a ban on imported chicken, claiming it had forced down domestic prices. In 1981, Taiwan produced 136,000 metric tons of chicken and imported 238 metric tons, all from the United States. Imports accounted for less than 0.2 percent of production because of an import duty and a harbor charge, which together added almost 80 percent to the cost of imported chicken. In the first two months of 1982, Taiwan imported 36 metric tons of frozen chicken. The Bureau of Foreign Trade actually stopped issuing import licenses on April 8 before the ban offically took effect.

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In DENMARK, there have been no new reported cases of foot and mouth disease since May 4. This has enabled the lifting of export embargoes on fresh meat sales to other EC countries. There were 22 cases of the disease, all but one on the Island of Funen. As a result, 1,882 cattle and 2,292 hogs were destroyed.

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Milk production in FINLAND declined more than 3 percent to 3.2 million tons in 1981 because of a poor hay crop and government programs to curtail production. According to the agricultural attache, production in 1982 is forecast to slip another 4.5 percent and cause further drops in cheese and butter production. The government's principal means of discouraging excess production is to set maximum quantities eligible for government export subsidies. It also requires producers to subsidize exports of the remaining surplus above domestic requirements. Production levels are still roughly a fourth above domestic needs and the government only finances export of about 40 percent of the surplus.

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Press reports in INDIA indicate that the State Industrial and Investment Corporation of Maharashtra (SICOM) plans to set up a meat export project in that state. Under this project, which is 40 percent financed by an organization from Bahrain, SICOM is asking the Government of India to raise permitted exports of buffalo meat from 3,000 to 9,000 metric tons per year. New government policies raised minimum export prices in 1982/83 to 97¢ per kilogram for buffalo meat and to 54¢ and $1.19 per kilogram of liveweight, respectively, for live buffaloes and sheep or goats.

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AUSTRALIAN wool production is expected to rise 2.7 percent to 712,000 MT for the 1982/83 clip. This will be the first increase in output since 1979/80 when production was 713,000 MT. This year's higher output represents both better yields per sheep and increased numbers. The better wool yields are due to recovery from last year's drought and Australia's heavy exports of live sheep which has reduced the number of older and less productive sheep in the herd.

The increase in exports of live sheep also caused a drop in the proportion of wool production obtained from the pelts of slaughtered animals. During 1982/83 wool production from live sheep is forecast at 654,000 tons, the highest since 1975/76 when sheep numbers were 10 percent larger.

TOBACCO

In 1981 WEST GERMANY's consumption of unmanufactured tobacco was 147,099 tons, down 1.4 percent from the 1980 level of 149,237 tons. Flue-cured was 47.5 percent (69,936 tons) of consumption with the U.S. flue-cured making up 37 percent (26,065 tons) of the total. The burley tobacco share of consumption was 23.6 percent (38,775 tons) with U.S. burley having a 25 percent share (9,660 tons). The oriental tobacco share was 17 percent (24,417 tons) and other types had a 12-percent share (17,974 tons). The U.S. share of the all tobacco consumed in West Germany in 1981 was 24.3 percent (35,243 tons).

German imports of tobacco in 1981 dropped to 170,875 tons, down 2 percent from the 1980 level. The U.S. market share of imports was 22 percent (37,634 tons). U.S. tobacco prices were well above those of other countries, making U.S. sales to West Germany difficult. However, the trend in the German cigarette market toward full-bodied cigarettes may encourage greater demand for U.S. tobacco.

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SPAIN's imports of leaf dropped 8 percent to 71,082 tons in 1981 because of a larger domestic crop and a 4 percent drop in manufacturers' use. The leading suppliers in 1981 were the Dominican Republic, United States, Brazil and Columbia, which shipped 24,000, 20,994, 6,735 and 5,037 tons, respectively.

The record unmanufactured tobacco imports from the United States in 1981 mainly consisted of blends for the manufacture of local brands such as "Fortuna" and "Nobel" and brands manufactured under U.S. licenses by the Tobacco Monopoly, namely "Winston" and "Marlboro."

Spanish leaf exports in 1981 dropped 63 percent to 2,788 metric tons. Cuba, Belgium, Mauritania, and Egypt were the principal markets.

Spain's total cigarette output in 1981 is estimated to have dropped 4.6 percent to 63.6 billion pieces due to higher retail prices and reduced real income. But its production of American-blended cigarettes increased by 6.5 percent to an estimated 20 billion pieces. This gain is attributed to smokers switching from dark-leaf cigarettes to American-blend cigarettes.

HORTICULTURAL AND TROPICAL PRODUCTS

USDA's initial coffee production forecast for the 1982/83 WORLD crop is 80.8 million bags (60 kilograms each), down 19 percent from the revised 1981/82 estimate of 96.4 million bags. The downturn is mostly due to a sharp drop in prospective Brazilian output because of a severe frost that hit major portions of key coffee-producing states there last July.

SOUTH AMERICA's 1982/83 coffee production is estimated at 35.0 million bags, down 32 percent from the revised estimate of 1981/82 outturn. Brazil's production is estimated at only 17.75 million bags, the smallest crop since 1977/78. Coffee production in Colombia, the world's largest coffee producer after Brazil, is expected to total 13.50 million bags, down 4 percent from 1981/82 due in large part to lower yields caused by reduced fertilizer applications. Ecuador's 1982/83 crop is also expected to be off because of drought in key production areas.

CENTRAL AMERICA's crop is estimated to be up about 300,000 bags to 9.6. million for 1982/83. The upturn largely reflects indications of higher production in Costa Rica and Nicaragua. Caribbean coffee production is expected to rise 11 percent in 1982/83 largely because of improved production propects in the Dominican Republic. The Dominican Republic should account for almost one-half of the region's 1982/83 coffee production initially forecast at 2.1 million bags.

AFRICA's 1982/83 coffee crop is forecast at 20.2 million bags, virtually unchanged from the previous season. Improved production prospects for several key countries, such as the Ivory Coast, Ethiopia and Cameroon, have been mostly offset by reduced expectations for output in Uganda and the Malagasy Republic.

In ASIA and OCEANIA, 1982/83 production is expected to reach 10.1 million bags, compared with the 10.0 million produced in 1981/82. Indonesia's output is likely to climb to a record 5.40 million bags because of a continuing rise in harvested area as trees planted in recent years reach producing age. India, Asia's other major coffee producer, is expected to produce 2.20 million bags in 1982/83, down 12 percent from the previous season due to recent dry weather in southern India and because 1982/83 is an off-year in coffee's biennial bearing cycle there.

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On May 26, 1982 the 15-day moving average of the INTERNATIONAL COFFEE ORGANIZATION's (ICO) composite indicator price fell below U.S. $1.20 per pound, triggering an automatic reduction of one million bags (60 kilograms) in the coffee export quotas for coffee-year 1981/82 (October-September). The cut will be applied pro-rata to members of the ICO entitled to a basic export quota during the April-June third-quarter, effectively reducing that quarter's allocation to 13.224 million bags and the global annual quota to 55.672 million bags.

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The eighth session of the FAO INTERGOVERNMENTAL GROUP ON BANANAS was held in Rome, May 17-20. The session reviewed trade statistics and estimates of banana import requirements and export supplies for 1982 and medium-term projections for 1984/85. The short-term outlook is for production to exceed demand, barring adverse weather. EC members supported the concept of banana supply "rationalization" in an effort to solve the problems of oversupply.

In other actions, the Intergovernmental Group recommended that the FAO prepare an annual statistical bulletin containing production and consumption forecasts, a brief description of the market situation, and an indication of price trends.

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COLOMBIA'S exports of flowers in 1981 were 38,000 metric tons valued at US$100 million, up from 36,000 tons and US$90 million in 1980. The United States purchased 73 percent of these flower exports, with the remainder going to some three dozen countries. The other major importers were West Germany (9 percent), Argentina (8 percent), and the United Kingdom (4 percent). Flower exports in 1982 are forecast to reach about 40,000 tons, with an estimated value of US$106 million.

In September 1981, airfreight rates for flowers (except orchids) were reduced from previous range of US$0.60-0.71 per kilogram for the Bogota-Miami trip to US$0.45-0.60. Reportedly, airfreight represents 50 percent of the CIF cost of fresh flowers.

In August 1981, the Columbian government established a 4 percent CAT (income tax credit rebate) on the FOB value of the flower exports. This rebate, represented in Colombia government bonds, may be used by exporters to pay their income tax or be transferred at the stock markets at an accordingly discounted rate.

Rotterdam Prices and E.C. Import Levies:

Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam, the Netherlands, compared with a week earlier and a year ago:

Item	June 8, 1982		Change from previous week	A year ago
	$ per m. ton	$ per bu.	¢ per bu.	$ per m. ton
Wheat				
Canadian No. 1 CWRS-13.5%...	200.00	5.44	-6	1/
U.S. No. 2 DNS/NS: 14%......	177.50	4.83	-4	200.00
U.S. No. 2 DHW/HW: 13.5%....	179.50	4.89	-21	203.00
U.S. No. 2 S.R.W............	1/	1/	1/	157.00
U.S. No. 3 H.A.D............	178.00	4.84	-8	220.00
Canadian No. 1 A: Durum.....	1/	1/	1/	1/
Feed grains:				
U.S. No. 3 Yellow Corn......	130.00	3.30	0	156.00
U.S. No. 2 Sorghum 2/.......	1/	1/	1/	153.00
Feed Barley 3/..............	1/	1/	1/	155.25
Soybeans:				
U.S. No. 2 Yellow...........	256.50	6.98	-2	290.50
Brazil Soyameal Pellets 4/..	234.00	--	-4.00 5/	1/
U.S. 44% Soybean Meal (MT)..	224.00	--	-2.00 5/	285.45
EC Import Levies				
Wheat 6/....................	116.25	3.16	+15	90.15
Barley......................	87.70	1.91	+2	69.00
Corn........................	101.65	2.58	+6	63.70
Sorghum.....................	96.00	2.44	+8	64.10

1/ Not available.
2/ Optional delivery: Argentine Granifero Sorghum.
3/ Optional delivery: Canadian Feed Barley.
4/ Optional delivery: Argentine.
5/ Dollars per metric ton.
6/ Durum has a special levy.

Note: Basis July delivery.

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